

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

_____)	
In re:)	Chapter 11
)	
CAESARS ENTERTAINMENT OPERATING)	Case No. 15-01145 (ABG)
COMPANY, INC., <u>et al.</u> , ¹)	
)	
Debtors.)	(Jointly Administered)
_____)	
)	
CAESARS ENTERTAINMENT OPERATING)	Hearing Date: June 22, 2015
COMPANY, INC., <u>et al.</u> ,)	Hearing Time: 1:30 p.m. CDT
)	**If necessary**
)	
Movants,)	
vs.)	
)	
CAESARS ENTERTAINMENT CORPORATION,)	
)	
)	
Respondent.)	
_____)	

**NOTICE OF DEBTORS' ROUTINE MOTION FOR AN ORDER, PURSUANT TO
BANKRUPTCY RULE 2004 AND LOCAL RULE 9013-9,
AUTHORIZING DEBTORS TO ISSUE RULE 2004 SUBPOENA**

PLEASE TAKE NOTICE that on **June 22, 2015 at 1:30 p.m.**, the undersigned may appear before the Honorable A. Benjamin Goldgar, United States Bankruptcy Judge for the United States Bankruptcy Court, Northern District of Illinois, Eastern Division, in Courtroom 2525 in the United States Courthouse, 219 S. Dearborn Street, Chicago, Illinois, 60604, and then and there present for hearing the *Debtors' Routine Motion for an Order, Pursuant to Bankruptcy Rule 2004 and Local Rule 9013-9, Authorizing Debtors to Issue Rule*

¹ A complete list of the Debtors and the last four digits of their federal tax identification numbers may be obtained at <https://cases.primeclerk.com/CEOC>. The Debtors are collectively Movants in this matter.

2004 Subpoena (the “Motion”), a copy of which is enclosed herewith and hereby served upon you.

PLEASE TAKE FURTHER NOTICE THAT THE MOTION IS A ROUTINE MOTION AND THAT, PURSUANT TO LOCAL RULE 9013-9, THE COURT MAY ENTER THE PROPOSED ORDER ENCLOSED WITH THE MOTION UNLESS, PRIOR TO THE HEARING DATE, A PARTY IN INTEREST NOTIFIES THE JUDGE OF AN OBJECTION TO THE MOTION.

PLEASE TAKE FURTHER NOTICE that copies of the Motion as well as copies of all documents filed in these chapter 11 cases are available free of charge by visiting <https://cases.primeclerk.com/CEOC> or by calling (855) 842-4123 within the United States or Canada or, outside of the United States or Canada, by calling +1 (646) 795-6969. You may also obtain copies of any pleadings by visiting the Court’s website at www.ilnb.uscourts.gov in accordance with the procedures and fees set forth therein.

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Dated: June 8, 2015
Chicago, Illinois

/s/ Jeffrey J. Zeiger, P.C.

James H.M. Sprayregen, P.C.

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Counsel to the Debtors and Debtors in Possession

(“CEC”) (or any other party that has possession, custody, or control of the documents sought) jointly with the Examiner for the limited purpose of seeking certain documents that CEC has withheld from production to the Special Governance Committee as privileged or a privilege log describing the basis for withholding these documents. In support thereof, the Debtors state as follows:

ARGUMENT

1. The CEOC Special Governance Committee has been investigating claims that the Debtors may possess against CEC, CEC’s sponsors, CEOC’s other non-debtor affiliates, and other parties. Based on this investigation, the Special Governance Committee required that CEC provide a contribution that the Special Governance Committee valued at least approximately \$1.5 billion to resolve these claims under the Restructuring Support Agreement (the “RSA”). Because its investigation was still ongoing when the RSA was finalized, the Special Governance Committee further required that any releases of CEC and its affiliates in the RSA be expressly subject to the satisfactory completion of its investigation.

2. One of the remaining open issues in the investigation is resolving certain privilege disputes with CEC. Kirkland & Ellis LLP, on behalf of the Special Governance Committee, obtained thousands of privileged documents for the investigation where CEOC either was the exclusive privilege holder or jointly held the privilege with CEC. These documents already have been produced to the Examiner. The Special Governance Committee, however, seeks either the production of—or a privilege log for—any remaining documents that CEC is withholding from the investigation on the grounds of privilege.

3. The Special Governance Committee intends to seek these documents jointly with the Examiner. The Examiner Discovery Protocol entered by this Court expressly provides that “Privileged Discovery Material relevant to the [Examiner’s investigation] may be obtained

through the issuance of joint Bankruptcy Rule 2004 subpoenas by the Examiner and the Debtors.” Dkt. No. 1576 ¶ 11. To the extent any of the documents CEC is withholding as privileged are in fact subject to a jointly held privilege with CEOC, the Debtors have standing to challenge those assertions and try to obtain those documents for both the Special Governance Committee and the Examiner (who has access to any privileged materials that the Debtors can access). Accordingly, the Debtors seek authority to pursuant to Bankruptcy Rule 2004 to jointly seek with the Examiner either the production of or a privilege log for the remaining documents that CEC is withholding from the Special Governance Committee’s investigation on the grounds of privilege. *See In re Teleglobe Commc'ns Corp.*, 493 F.3d 345, 354 (3d Cir. 2007), as amended (Oct. 12, 2007) (discussing debtors’ use of Rule 2004 to conduct discovery concerning possibility of bringing claims against debtors’ parent company); *In re Nixon Elec. Supply, Inc.*, 85 B.R. 988, 989 (Bankr. W.D. Tex. 1988) (debtor may move to conduct examination under Rule 2004).

4. Bankruptcy Rule 2004 provides that “[o]n motion of any party in interest, the court may order the examination of any entity.” Fed. R. Bankr. P. 2004(a). The scope of that examination “may relate only to the acts, conduct or property or to the liabilities and financial condition of the debtor, or to any matter which may affect the administration of the debtor’s estate, or to the debtor’s right to a discharge.” Fed. R. Bankr. P. 2004(b). Here, the documents that the Debtors intend to seek jointly with the Examiner relate to the transactions that this Court previously authorized the Examiner to investigate and therefore relate to the acts, conduct and property of the Debtors. *See Order Granting in Part and Denying in Part Motions to Appoint Examiner*, Dkt. No. 675 ¶ 3 (directing the Examiner to investigate the “Challenged Transactions,” which include those the Special Governance Committee also is investigating).

Thus, the relief that the Debtors seek falls squarely within the scope of Bankruptcy Rule 2004. *See In re Handy Andy Home Improvement Ctrs., Inc.*, 199 B.R. 376, 379 (Bankr. N.D. Ill. 1996) (“Where there is a showing that the purpose of the examination is to enable a party to probe into matters which may lead to the discovery of assets by examining not only the debtor, but also other witnesses, such inquiry is allowed.”).

CONCLUSION

For the foregoing reasons, the Debtors respectfully request an order, pursuant to Bankruptcy Rule 2004 and Local Rule 9013-9, authorizing Debtors to jointly issue a Rule 2004 subpoena with the Examiner to CEC or any other party that has possession, custody, or control over the documents sought.

NOTICE

The Debtors have provided services of this Motion to: (a) counsel to CEC; (b) counsel to Caesars Entertainment Resort Properties, LLC; (c) counsel to Caesars Entertainment Services, LLC; (d) counsel to Caesars Acquisition Company; (e) counsel to Apollo Global Management, LLC; (f) counsel to TPC Capital, LP; (g) the Office of the United States Trustee for the Northern District of Illinois; (h) counsel to the Second Priority Noteholder Committee; (i) counsel to the Statutory Committee of Unsecured Claimholders; and (j) all other entities on the Service List (as defined in the Case Management Order and available on the Debtors’ case website at <https://cases.primeclerk.com/CEOC>). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

Dated: June 8, 2015
Chicago, Illinois

/s/ Jeffrey J. Zeiger, P.C.

James H.M. Sprayregen, P.C.

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